

United States Department of Agriculture

Natural Resources Conservation Service

Resource Economics and Social Sciences Division

February 2002

Alternative Farm Enterprises – Agritourism Success Stories

Diversified Value-Added Products

Interview with Kim Tait, RR 1, Box 329, Centre Hall. PA 16828, 814-466-2386, e-mail taitfood@vicon.net, www.taitfarmfoods.com

What is the history of your farm and farming experience?

Marian and Elton Tait purchased the 130-acre farm in 1950. Both were State Extension agents at Pennsylvania State University in State College. The farm is 7 miles east of State College on U.S. Rt. 322. It was the Taits' home and hobby farm for more than 25 years. They raised a daughter (Sandy) and two sons (David and John) as well as 4-H animals, a few Basset hounds, and cut-your-own Christmas trees.

Describe the alternative enterprise(s) in which you are presently engaged.

Tait Farm Foods produces high-quality fruits and vegetables using organic methods; manufactures more than 35 specialty food products; and sells farm-made and local foods and plants and gifts for the kitchen, garden, and home. Our specialty food line consists of Fruit Shrubs (a colonial fruit drink concentrate), international cooking sauces, fresh herbal olive oils, raspberry vinegar, preserves, chuntneys, and scone and pancake mixes. Our year-round Harvest Shop specializes in local and regional products, including produce, food products, gift collections, pottery, baskets, herb plants, bedding plants, heirloom roses, seasonal gifts, and kitchen and garden items. The Harvest Shop also offers cooking, gardening, and craft classes and events throughout the year. The farm business also has a 110-family Community Supported Agriculture project known as Community

Harvest. Tait Farm Foods is really seven businesses in one:

- growing fruits and vegetables,
- manufacturing value-added foods,
- selling specialty food products via a retail catalog and Internet site (taitfarmfoods.com),
- selling food products and produce wholesale to restaurants, historical sites, and retail stores,
- operating a retail farm store,
- operating a CSA venture, and
- offering educational classes, workshops, and events throughout the year.

What made you decide to go into the present alternative enterprise(s)?

The Taits' two sons returned to the family farm around 1980. Their vision was to make it a profitable family farm by selling pick-your-own organic/ sustainable perennial fruits and vegetables (asparagus, raspberries, apples), as well as cut-your-own Christmas trees. They knew they had to grow high-value crops at direct marketing prices to the consumer to be successful. I came to the farm in 1989 and joined the existing enterprise and married David Tait a few years later. Between 1980 and today, the farm has made many transitions:

1980–82: Christmas trees and diseaseresistant apple cultivars developed at Cornell University were planted. Five acres of apples were planted with the goal of a low-spray program. Two acres of asparagus were planted along with several acres of raspberries. Trial plantings of blueberries (1/2 acre) were added later. A considerable amount of time was spent learning how to grow and manage the crops.

1981–82: A large vegetable garden was planted, and the produce was marketed at the local farmers market. The hope was to provide some cash until the raspberries, asparagus, apples, and Christmas trees became profitable. The vegetable garden was stopped after 2 years due to the management requirements of the perennial crops and the intensive labor and poor economic returns on the annual crops.

1982–87: The "pick-your-own" business grew, with asparagus in May, raspberries in late June into July, apples from mid-August to November, and Christmas trees in December. The Taits also attended the late-season farmers market.

1987: A bumper crop of black raspberries blessed the farm, but the weather was very poor for pick-your-own. So the farm picked the berries and froze them, rather than letting them go to rot. The hope was that there would be a winter market for frozen raspberries, but that didn't turn out to be the case. A friend of the family reminded David of an old Colonial recipe she had once made called Raspberry Shrub. The word "Shrub" came from old English, meaning acid fruit drink. The base of the product was raspberry vinegar, which in this case was a very handy way to transform all those frozen raspberries. And so a value-added food business was born.

1988: The first bottles of Raspberry Shrub were filled and labeled by hand, then sold to pick-your-own asparagus, raspberry, apple, and Christmas tree customers in 1988. The Colonial fruit drink concentrate was very well received.

1988–89: The winter was spent developing a new label and an informative "Book of

Shrub," which included historical information as well as recipes. In the spring of 1989, Raspberry Shrub had a new look and was taken on the regional road. The first successful sales came at a farm market show and to specialty stores in the State College and Philadelphia areas. The old milking parlor in the barn was converted to a value-added processing area, with a used pasteurizing tank being donated by a family member and inexpensive, used stainless steel equipment purchased from Penn State salvage.

1990–93: The value-added business started expanding. After we attended several trade shows where the product was demonstrated, we realized that customers wanted ready-touse food products. They didn't want to have to assemble all the ingredients to make teriyaki sauce from Raspberry Shrub. They wanted the teriyaki sauce already made. So we created Raspberry Teriyaki Sauce. Another seed was also planted in this everchanging business—gift baskets. The farm began assembling baskets filled with Tait Farm and other local products. This was the beginning of our gift collection business, which today makes more than 2,000 collections each year. We sell them in our Harvest Shop, to regional businesses, and through our mail order catalog and Internet site. During this time period, we sold the value-added products out of a small, mobile wagon located where people purchased their picked crops or Christmas trees.

1992: We built the first farm retail store by converting an old, 8'x15' turkey shed into the Harvest Shop. The store was open from Labor Day to Christmas.

1994: The farm business known as Tait Farm, Inc., was made into two corporations, Tait Farm, Inc., and Tait Farm Foods, Inc. We put together a business plan to develop more value-added food products, new packaging, and marketing materials. We took the plan to the bank and got a \$25,000 loan to expand the vision. We researched

and developed a new packaging concept using wood-engraved images from 1860–80, and we added three new flavors of fruit shrub, 3 fruit vinegars, two international sauces, and preserves to the line.

1994–97: We developed more value-added products and marketed them to upscale stores in the mid-Atlantic.

1997: We decided early in the year to build a year-round Harvest Shop. We put up a 15'x40' timber-framed building in September and opened it up for business in early November. When my husband, David, passed away in early December, I became solely responsible for running Tait Farm Foods.

1998 to present: The company now manufactures 35 value-added products and sells the line to a variety of wholesale customers, including Colonial Williamsburg, Fresh Fields, Dean & Deluca, as well as many regional stores. We have an e-commerce site and a 16-page hand-drawn catalog. The company currently has four full-time and six part-time employees. In 2000, a Community-Supported-Agriculture project called Community Harvest was started. The members come to the farm to pick up their produce. The farm supports somewhere close to 100 families each season. All the fruits and vegetables are grown using organic methods. The CSA runs at least 27 weeks, starting with asparagus in the spring and ending at Thanksgiving with the root crops. This year, the CSA added a winter share that extended the season into February.

How did you make the transition?

The farm really did not have a transition plan. Most of the transitions were a result of certain ideas either working or not. After the 1994 division of the farm into two corporations, Tait Farm, Inc., was operated by John Tait. He raised Basset hounds and Christmas trees. David and I formed the other corporation known as Tait Farm

Foods, Inc. Prior to the new incorporation, we had developed a 3–5 year business and marketing plan. This gets updated yearly with the help of the state funded Ben Franklin Transformation Project, designed to help manufacturing based businesses.

Marketing has been one of the major challenges in making the transition from direct to wholesale sales. Our marketing efforts have evolved from the local farmers market, to the roadside stand, pick-yourown, retail farm store, food brokers, mailorder business, and the Internet. Initially, a newsletter was sent out four times a year to customers to promote the asparagus crop, raspberry crop, apple crop, and Christmas trees. It originally contained farm info and seasonal recipes and later was expanded to show gift collections. This was the start of the mail order business, which today is a 16page graphically designed catalog. (See www.taitfarmfoods.com).

We took two *planned* steps in developing and marketing our products. First, we developed unique products, including Fruit Shrubs and International Sauces for cooking, grilling, and stir fry. Second, we put a lot of effort into selecting images which gave us a very unique identity and attractive labels for the products and catalog. We wanted to create a visual presence that said "Why is this different?" It has worked very well for the company. We have developed a significant market with historical-site gift shops throughout the East. The Eastern National Park Service and Colonial Williamsburg are two of our largest accounts. The e-commerce site has increased mail order business by approximately 25percent since being developed in the fall of 2000.

I have not been embarrassed to ask for help in all nearly all areas of the business, including production, marketing, and accounting. As a result, I have several mentors who have helped the company and kept us from reinventing the wheel.

How did you acquire information on the alternative enterprise? The brothers started

in 1980 relying on Exension Service information. Information regarding organic production methods and marketing was lacking, so talking to others became the main source of information. They asked a lot of questions and searched out the answers, and made up the rest. They went to seminars, conferences, and workshops, purchased books and subscribed to magazines. The network they developed is still used today.

How do you price your products? We price all of the fresh and value-added according to different margin formulas. For the value-added products, we use the cost of product (food ingredients, containers, labor) plus indirect costs (electricity, insurance, water, etc.) plus a margin for profit to arrive at a wholesale price. The retail mark-ups are based on industry margins.

What went wrong? and How did you correct the situation?

The spring and summer rains of 1987 left the brothers with hundreds of pounds of frozen berries and no market. By looking for alternatives, they were able to develop the value-added product Raspberry Shrub. This has led to a whole different set of processed products and direct sales. Most likely, they would have stayed in the business of direct marketing perennial crops had this situation not occurred.

Value-added products led to better business planning and marketing management. We would have never obtained loans without the business plan. I found myself in charge of all production, marketing, and administration of the business without any training. Being able to ask people for help saved me from going frantic. These mentors have been a life-saver for me and continue to be a strong base of support and advice. The business plan developed in 1994 also provided a strong guide as to where we wanted the company to go.

What went right? How did you build on vour success?

People liked our food products and they wanted more! We listened and expanded our product line. The first gift baskets were nicely decorated and filled with various value-added items. This resulted in people buying a \$20–25 basket rather than just a \$7.50 bottle of Raspberry Shrub. These early successes paved the way for many of today's offerings.

My strength in the company is my creativity. I love to cook, so working with my product development person is a real joy. Coming up with the new ideas for the business is fun

What would you have done differently?

If I had known early on all the turns my path would take, I would have been very tempted to walk away. But I have always felt that a certain sense of purpose, stewardship, and fate have kept me on the farm.

Where do you plan to go from here?

The company is focusing on expanding the offerings at the Harvest Shop, as well as the wholesale business. I hope to open up more market opportunities, including specialty and natural foods stores. I am also going to hire more brokers to sell our products in a broader geographical territory.

In the Harvest Shop, I plan to add more locally and regionally made products. My goal is to support as many local agricultural producers and artisans as possible. Another dream of mine is to have a display and cut-your-own flower garden, as well as a tea house located in the flower garden.

What would be the most important advice you would give other farmers considering an alternative enterprise?

- Don't hesitate to ask other people to help you. Most people are willing to be of assistance. This helps you avoid mistakes.
- Capital planning is a must. Develop a business plan that addresses

- management, growth, and other types of assistance. Do your homework before you start.
- Love what you do! You need a passion to succeed because this is "a road less traveled."
- Develop a loyal local following. This will be your primary customer base.
- Be honest about what you don't know because you will only deceive yourself!

How did you handle the liability concern?

I highly recommend using a good insurance company. Most farm policies do not cover value-added and other direct marketing enterprises. I have a \$5-million umbrella policy for Tait Farm Foods.

What do you dislike the most and like the most?

My dislikes include the administration, management of people, and financial stress. I like the creative aspects of new products, creating collaborations, and marketing. I love providing beautiful food, information, and inspiration to our customers.

Would you start this alternative enterprise business today after learning what is involved?

When one enters this type of an enterprise, you are not really sure where it will lead you. On bad days, I wish Tait Farm Foods were a simpler operation, more like it was in the early days. However, the creativity needed today to develop new products and new markets is very rewarding. Next time around, I would wish for less stress and loss.

What groups/organizations/activities have you joined or become involved in because of the alternative enterprises?

The U.S. Department of Agriculture prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

I have become involved in sustainable agriculture and business groups. I am Vice President for the Pennsylvania Association for Sustainable Agriculture, which has about 1,500 members and holds an annual conference with 1,200 farmers and others attending. I am also a member of the Chamber of Commerce and Professional Business Women's Group of State College, PA.

What conservation and education activities do you have?

The farm's conservation activities are focused on sustainable/organic agriculture. We won the 2000 Pennsylvania Recycle Award for the re-use of composting bins and the composting of municipal leaves to provide soil fertility. One of the company's goals is education through a series of workshops, talks, walks, and farm/garden tours.

What did your customers like the most about your product(s) or enterprise(s)?

The customers appreciate that we are a family farm, sell unique products, are local, and are committed to the environment. We symbolize and provide a connection to the land

Would it be ok for people to contact you? Yes

Do you want additional information? For more success stories and other information, see the website:

http://www.nrcs.usda.gov/technical/RESS/

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, room 326W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.